

VZCZCXYZ0000  
OO RUEHWEB

DE RUEHFR #2072/01 1411257  
ZNY CCCCC ZZH  
O 211257Z MAY 07  
FM AMEMBASSY PARIS  
TO RUEHKO/AMEMBASSY TOKYO IMMEDIATE 2497  
RUEHC/SECSTATE WASHDC IMMEDIATE 7435  
INFO RUEHBUL/AMEMBASSY KABUL IMMEDIATE 0489  
RUEHUL/AMEMBASSY SEOUL IMMEDIATE 1433

C O N F I D E N T I A L PARIS 002072

SIPDIS

SIPDIS

E.O. 12958: DECL: 05/15/2012  
TAGS: [PREL](#) [ETRD](#) [EAID](#) [OECD](#) [JA](#) [KN](#) [AF](#)  
SUBJECT: VICE FM ASANO ON KOREAN ABDUCTIONS, U.S.-JAPAN TRADE,  
STRATEGIC DEVELOPMENT ALLIANCE, AND OECD ENLARGEMENT

Classified By: Deputy Secretary John Negroponte, for reasons 1.4  
(b) and (d)

11. (C) Summary: Deputy Secretary John Negroponte and Assistant Secretary for Economic, Energy and Business Affairs Dan Sullivan met on May 15 on the margins of the ECD Ministerial Council Meeting with Japanese Vice Foreign Minister Katsuhito Asano. Asano proposed that President Bush and Prime Minister Abe meet again in July on the margins of the G8 Summit. In addition, he asked for continued U.S. support on the issue of North Korean abduction of Japanese citizens, explored U.S. thinking on a bilateral free trade agreement, noted Japan's difficulty in providing the human resources to match its financial contribution to joint development efforts in Afghanistan, and expressed Japan's support for the OECD enlargement package that was to be reported to ministers in the following day's meeting. Deputy Secretary Negroponte reaffirmed U.S. support on the abductions issue, noted that an FTA was an interesting idea but agreed it was not ripe to discuss publicly, and sought Japanese support for the U.S. proposal to house the Partnership for Democratic Governance at the OECD. End Summary.

Proposed Follow-up to U.S.-Japan Summit at Heiligendamm  
-----

12. (U) Asano remarked that the recent visit to Washington of Prime Minister Abe had been a great success, in that it reaffirmed the U.S.-Japan security alliance and cemented agreement between the two sides to deal with East Asian issues on the basis of this alliance. Asano was particularly pleased that the meeting between leaders lasted six hours, a sign of the significance of the U.S.-Japan relationship going into the future. He conveyed a proposal from Tokyo that the two leaders meet again in July on the margins of the G8 Heiligendamm Summit to focus on climate change and economic issues.

13. (U) The Deputy Secretary responded that the U.S.-Japan alliance is indeed the cornerstone of our East Asian policy, that it has been since he began his Foreign Service career 47 years ago and would certainly remain so 47 years from now. He agreed to relay to Washington Japan's interest in having a side meeting of the Japanese and U.S. leaders in Heiligendamm.

North Korean Abduction of Japanese Citizens  
-----

14. (C) Asano asked to clarify the U.S. position regarding North Korea's history of abduction of Japanese citizens. Tokyo had understood, he said, that President Bush had expressed support to Japan in its view that its patience would not be unlimited if North Korea does not make the right choice in rectifying the history of abductions. Moreover, at the U.S.-Japan Summit, the Japanese side had understood that the United States would take

the abduction cases into account in its evaluation of state sponsors of terrorism.

15. (C) The Deputy responded that the USG supports Japan's goal of solving the abduction issue and is committed to doing so within the framework of the Six Party Talks. We had said on February 13, when the Six-Party Agreement had been reached, that we would start the process of removal of North Korea from the list of state sponsors of terrorism. However, he emphasized, it was only a commitment to start the process. North Korea's subsequent actions would determine our final decisions regarding its listing. We had made this position clear in our annual report on counterterrorism. Asano replied that Japan was reassured that the United States was taking this matter into account along with the question of nuclear disarmament.

#### Discussion of an FTA Premature

-----

16. (C) Asano then asked whether there might soon be a joint statement regarding a possible U.S.-Japan free trade agreement. The Deputy Secretary responded that the Vice Minister of METI had raised a similar question recently as well. While the Deputy Secretary personally thought a U.S.-Japan FTA could be a very good idea, he also thought it was something the two sides should examine very carefully, and that it would be premature to make any public statements. The USG has not said anything publicly about planning to negotiate an FTA with Japan, and would not do so while we are trying to conclude trade agreements with Colombia, Peru, Panama, and South Korea. A/S Sullivan added that we should keep our focus on concluding the Doha Round before raising the possibility of a U.S.-Japan FTA. Sullivan noted, however, that the U.S. had already discussed bilateral trade in the context of semiannual subcabinet-level discussions,

with the next round scheduled for November, and there would likely be further consultations between USTR and Japanese counterparts in Tokyo or Washington.

17. (C) Asano agreed with the cautious approach, emphasizing that it would not be productive to discuss the idea of an FTA publicly. Asano continued that U.S.-Japan trade negotiations would necessarily entail a wide range of sensitive products, including wheat, meat, and dairy products. Japan is currently engaged with Australia on FTA negotiations and is feeling a great deal of pressure from its domestic agriculture sector on these products as well as sugar. Before starting any kind of negotiations with the United States, Japan would have to first conclude with Australia. Once both Japan and the U.S. were ready for FTA negotiations, however, Asano believed that there should be thorough consultations in advance, and that actual negotiations should then be conducted quickly, avoiding "negotiation through the press."

#### Strategic Development Alliance

-----

18. (SBU) Turning to the U.S.-Japan Strategic Development Alliance, Asano noted that Japan was considering doubling its \$25 million assistance that focused on Afghanistan. With regard to development work in the Federally Administered Tribal Areas of Pakistan, he noted that the U.S. and Japan had each agreed to build 65 new schools. Of these, to date the U.S. had completed forty while Japan had only been able to complete twelve. The problem for Japan was lack of capacity in providing qualified personnel to complete the task, the GOJ therefore hoped that the U.S. would be able to fill this gap. The Deputy Secretary recommended that the two governments' embassies in Islamabad work together to resolve this problem.

#### OECD Enlargement and the Partnership for Democratic Governance

-----

19. (U) Briefly covering OECD enlargement and related issues, Asano said that Tokyo was willing to support Russia with the understanding that membership in the WTO would be a precondition

to OECD accession. Regarding the candidacies of Chile, Estonia, Israel, and Slovenia, Japan was willing to join the consensus of other members, having achieved satisfaction on the issue of financing, that all had agreed to a system in which all members would pay an assessment sufficient to cover the cost of their participation in the organization. The Deputy Secretary responded that we are on the same wavelength on these issues. He asked whether Japan would also support the U.S. proposal to house the Partnership for Democratic Governance in the OECD. Asano replied that Japan had no difficulty with it.

MORELLA